

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS**

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TO: POTENTIAL APPLICANTS

FROM: CODE ENFORCEMENT INCENTIVE PROGRAM

RE: APPLICATION PROCESS

INTRODUCTION

The Code Enforcement Incentive Program (CEIP) is a new program whose aim is make funds available as matching grants to cities, counties, and cities and counties to increase staffing dedicated to local building code enforcement efforts. Grant funds may be used to supplement, but shall not supplant, existing local funding for code enforcement related to housing code maintenance. Applicants will be required to demonstrate an intent to ensure cooperative and effective working relationships between code enforcement officials, local prosecutorial agencies, the local health department, and local government housing rehabilitation financing agencies.

AB 2867 (Chapter 82 of the Statutes of 2000) as amended by AB 1382 (Lowenthal) establishes CEIP (Chapter 8 (commencing with section 17998) to Part 1.5 of Division 13 of the Health and Safety Code). The applicable provisions of Health and Safety Code commencing with section 17998 will govern the Notice Of Funding Availability (NOFA) and any funded commitments awarded thereunder. Pursuant to Health and Safety Code Section 17998.1 there will be no program regulations. In lieu thereof, the NOFA, application forms and this application process document will serve as guidelines for the commitment and use of funds. Threshold requirements and rating and ranking criteria are set forth below.

PROGRAM OBJECTIVES

It has been determined that frequently there is insufficient funding at the local level for the abatement of code violations through timely administrative or judicial process. It is believed that timely code enforcement is necessary in order to preserve affordable housing that could otherwise be lost through closure or demolition. CEIP was established to provide funding to eligible applicants in order to increase staffing dedicated to local building code enforcement activities and achieve improvement in the housing stock in deteriorating neighborhoods. HCD will award the CEIP grants on a competitive basis. CEIP staff will review all applications for grants for completeness and compliance with the CEIP statute and this application process document. Applications will then be rated and ranked based on criteria described below.

APPLICATION INSTRUCTIONS

- Applications for CEIP grants must be on forms provided by HCD.
- The application must be filled out completely and include all requested information.
- Application forms must not be modified.
- Please respond to all application guidelines by checking answer boxes where required, furnishing requested information and giving complete narrative answers where appropriate. Attachments may be added where space is insufficient and must be clearly marked.
- Include all exhibits. Some appendixes have been provided as a part of the application to assist the applicant in the presentation of required information.
- Indicate “not applicable” in both the application and for exhibits, where appropriate.
- If information is not available but is necessary to determine the eligibility of the applicant and/or the eligibility of the project (see Eligibility Criteria and Completeness Review section below), CEIP staff may reject and return the application as being incomplete.
- Be sure all necessary exhibits are complete and included with the application.
- All exhibits must be tabbed and labeled as identified on the checklist.
- A CEIP checklist is furnished as a part of the application.

It is the applicant’s responsibility to ensure that its application is clear, complete and accurate. After the application deadline, CEIP staff may request clarifying information provided that such information does not affect the competitive rating of the application. No information will be solicited or accepted if this information would result in a competitive advantage to an applicant. No applicant may appeal CEIP staff’s evaluation of another applicant’s application.

Applications that are determined to be eligible, complete and meeting all threshold requirements will be rated and ranked according to the criteria set forth below in the Rating and Ranking of Applications section.

ELIGIBLE APPLICANTS

- The applicant must be a city, county, or city and county.
- All documents attesting to the applicant’s legal status must be current.

ELIGIBLE PROJECTS

- The project must supplement, but shall not supplant, existing local funding for code enforcement related to housing code maintenance.
- The proposal must identify, in general terms, the nature, source, and timing of the matching funds or resources.

GRANT AMOUNTS

- Maximum grant to a single recipient shall not exceed one million dollars (\$1,000,000).
- Minimum grant to a single recipient shall not be less than one hundred and fifty thousand dollars (\$150,000).

ELIGIBLE USE OF FUNDS

- The grant funding must be used to increase staffing dedicated to local building code enforcement efforts, including program costs related to the increased staffing.
- The funding must be in addition to the city, county, or city and county existing funding for code enforcement, including program costs related to the increased staffing.
- The city, county, or city and county must provide cash or in-kind local match of at least 25 percent of the total annual program cost during the first year, at least 50 percent of the total annual program cost during the second year, and at least 75 percent of the total annual program cost during the third year.

GRANT TERMS AND LIMITS

- Grants will be made for a term of up to three years, for program expenditures, not later than December 31, 2003.
- Grants will be subject to conditions set forth in a Standard Agreement (Contract).

DEFINITIONS

- Administrative Enforcement: That part of the code enforcement program which occurs prior to referral to a prosecution agency, including but not limited to inspections, notices related to inspections or abatements, and appeals within the enforcement agency (or city/county appeals board).
- Building Code: A systematic regulation of construction of residential buildings within a municipality established by ordinance of law.
- Building Restrictions: Zoning, regulatory requirements or provisions in a deed limiting the type,

size and use of a building.

- Deteriorated: See, “Substandard”
- Grant: An award of money for a specific purpose without expectation of repayment. However, a grant is usually subject to contractual conditions, and may be disencumbered or required to be repaid if the grantee defaults on contractual conditions.
- Judicial Enforcement: That part of the code enforcement program which occurs after referral to the city attorney, county counsel, or district attorney, including but not limited to informal hearings by the prosecution officer and civil or criminal actions being filed with appropriate courts.
- Local public entity: Any city, county, city and county, redevelopment agency or public housing authority, including any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in, or assist in the development or operation of housing for persons and households of low- or moderate-income.
- Multi-Family Housing: A residential structure containing more than one housing unit, typically rental apartments or condominiums. The Census defines generic multifamily housing as having five or more units, with one-to-four unit structures being considered a separate category.
- Redevelopment Agency: A city or county agency created pursuant to State law to promote the redevelopment of blighted areas, funded by local property taxes.
- Rehabilitation: Repair of deteriorated or substandard housing, usually with the goal of returning it to compliance with applicable building, health and safety codes. Substantial Rehabilitation generally means more extensive restoration or replacement of basic structural elements and primary systems of a building.
- Relocation: Process regulated by state and federal law, by which a public agency, or a private entity acting as part of a public plan or program, which displaces households or businesses, assists and subsidizes them to find comparable replacement housing or business locations.
- Substandard: For the purposes of providing demographic information in the application, use 1990 Census definitions and statistics. For the purposes of program description and design, the applicant may use more current or appropriate definitions or statistical information, such as that developed for federal programs, statistics derived from windshield surveys or other local surveys, or other resources which are consistent with the proposed program design and goals.
- Very low-, low- and moderate-income household: See, Title 25, California Code of Regulations, Sections 6926, 6928, 6930 and 6932.

ELIGIBILITY/THRESHOLD/ COMPLETENESS REVIEW CRITERIA

Staff will conduct an eligibility and completeness review to determine the completeness of the application, the eligibility of the applicant, and the eligibility of the project. An application deemed to be incomplete or ineligible will be removed from further review. The applicant will be notified in writing of the Department's determination. The eligibility and completeness review will be based on the minimum threshold criteria set forth below:

1. Application completeness:

- Application must be filled out completely and include all attachments.
- Application must bear the original signature of the person authorizing submittal.
- The certified resolution must authorize submittal of the application and have the appropriate original signatures. (A letter from the department head may be substituted providing it states a resolution will be obtained at the earliest feasible time and in any event prior to a contract being executed).

2. Applicant eligibility:

- The applicant must be a city, county, or city and county.
- All documents attesting to the applicant's legal status and financial status must be current.

3. Project eligibility:

- The project must supplement, but shall not supplant, existing local funding for code enforcement related to housing code maintenance.
- The proposal must identify, in general terms, the nature, source, and timing of the matching funds or resources.

4. Threshold requirements:

- The grant funding must be used to increase staffing dedicated to local building code enforcement efforts, including program costs related to the increased staffing.
- The grant funding must be in addition to the city, county, or city and county existing funding for code enforcement, including program costs related to the increased staffing.
- The city, county, or city and county must provide cash or in-kind local match of at

least 25 percent of the total annual program cost during the first year, at least 50 percent of the total annual program cost during the second year, and at least 75 percent of the total annual program cost during the third year.

Computing The Maximum CEIP Grant Amount And The Maximum Applicant Match Amount Based On Total Annual Program Costs			
Year	CEIP Grant Needed	Applicant Match Amount	Total Annual Program Cost
1	75%	25%	100%
2	50%	50%	100%
3	25%	75%	100%

APPLICATION SUBMITTAL

The application package must include one original and one copy of the complete CEIP application. Applications should be sent to the below listed address.

U.S. Mail

Department of Housing and Community
Development
Code Enforcement Incentive Program
P.O. Box 1407
Sacramento, CA 95812-1407

Private Carrier

Department of Housing and Community
Development
Code Enforcement Incentive Program
1800 Third Street, Suite 260
Sacramento, CA 95814

Applications must be received prior to 5:00 p.m., on December 18, 2000. No applications received or delivered after the deadline will be considered in this round of funding. Applications submitted via facsimile will not be accepted. Applications received in the CEIP office by the deadline will be date stamped upon arrival and assigned a sequential application number by CEIP staff. Applications received after the deadline will be returned.

RATING AND RANKING OF APPLICATIONS

All applications that are eligible, complete and meet all the threshold requirements will be rated and ranked according to the following criteria.

Criteria	Maximum Points
1. Identify one or more neighborhoods populated by high percentages of lower income households with significant numbers of deteriorating housing stock containing reported or suspected housing code violations, often owned by absentee owners. (NOTE: information may be derived from documents used for other purposes, such as the	

federal Consolidated Plan, housing element, or funding requests; sources of information [e.g., 1990 Census] and terms' definitions [e.g., "deteriorated"] should be identified.)

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- Show geographic boundaries of neighborhood(s) affected.
- What percentage of housing units in the neighborhood(s) do lower income households occupy?
- What percentage of city housing stock is in the target neighborhood(s)?
- What percentage of housing stock in the target neighborhood(s) is considered deteriorated?

2. Identify the increased staffing dedicated to current and increased local building code enforcement using existing funds the State grant funds, and local matching resources.

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- What is the current staffing level dedicated to existing code enforcement activity in the Building Department?
- What is the current staffing level dedicated to existing code enforcement activity in the health, prosecution and/or housing departments, if those departments are involved in this grant effort?
- What are the number, agencies, and job descriptions of proposed new staff?

3. Propose a plan to identify and prosecute owners with habitual, repeated, multiple code violations that have remained unabated beyond the period required for abatement with evidence of a cooperative and working relationship between other agencies.

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- Code enforcement officials.
- Local prosecutorial agencies.
- Local health department officials.

4. Demonstrate a cooperative working relationship with local government housing rehabilitation financing agencies, including financing availability, staff resources, and willingness to finance affordable rental housing rehabilitation and repairs which includes assistance to owners and prevention or mitigation of resident displacement.

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5. Demonstrate, for any entity, agency or division department providing a match which represents an increase in a current level of staffing or other resources committed to code enforcement, local intent to provide the required match, and if applicable, to provide at least the minimum local funding each year of the grant period for continued code enforcement activity.

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- What is the current fiscal year budgeted amount for all code enforcement activity?
 - What is the planned budgeted amount for all code enforcement activity (including grant and match) for years 1, 2 and 3 of the grant period?
 - What is the amount of grant funds and match to be used in years 1, 2 and 3 of the program period?
6. Demonstrate consistency of the proposed code enforcement assistance program with local specific or general plans, including the housing element, consolidated plan and federal housing plans. **50**
7. The application must propose a “program” which includes one or more activities which can be measured to indicate the success of the program and which may be replicable in other jurisdictions. Some types of activities are: **150**
- Increasing building code enforcement staff committed only to citing and prosecution of violators.
 - Increasing (or establishing) administrative hearing procedures and/or staff to expedite administrative hearings and resolution or prosecution of violations and violators. (Note: this may include hearing officers, paralegal staff, “gatekeepers” to coordinate hearings, etc.)
 - Increasing (or establishing) judicial hearing procedures and/or staff to expedite court hearings and resolution or prosecution of violations and violators. (Note: this may include attorneys, paralegal staff, “gatekeepers” to coordinate prosecutions, etc.)
 - Adding health department staff to existing building code enforcement staff to improve inspections (identifying violations such as lead-based paint problems) and/or improving prosecution; or fire department staff to address fire prevention and suppression issues.
 - Improving procedures by use of current technology (e.g., laptop computers, wireless transmission, vehicle-based assistance, etc.) used in conjunction with the increased staff.
 - Establishing an emergency repair and/or emergency displacement assistance fund to mitigate impacts on tenants or lower income owner-occupants of increased code enforcement activity used in conjunction with increased code enforcement efforts.
 - Developing and circulating written information related to code enforcement, rights of owners and/or tenants; access to sources of financial assistance (for owners and tenants); etc., to be used in conjunction with the increased code enforcement efforts.
 - In general, up to 25% of the grant and match funds may be spent

for “hard” program costs (as opposed to salaries, benefits, and overhead).

- Providing administrative, financial, or other housing assistance to tenants with impending or actual displacement by ordinance, administrative practice, or judicial order.
- Providing public education regarding code enforcement to owners, tenants and their advocacy organizations.
- Including, within code enforcement administration, components which address special needs populations such as, owners or tenants with disabilities, foreign language communication problems, and large household sizes.
- Improving the permit and inspection process for repairs and rehabilitation, including providing notices on lead-safe repair procedures, expedited permit processing, or fee waivers.
- Increased use of government assisted or financed short-term repairs, to minimize displacement, coupled with liens for collection of government costs.
- Other programs or activities which can be demonstrated to improve code enforcement and/or prosecution of violators and/or mitigate impacts on tenants or lower income households, and/or improve effectiveness of abatement/repair activity by owners or tenants.

TOTAL POINTS AVAILABLE:

500

RECOMMENDATIONS

CEIP staff will prepare a report containing a project summary and a recommendation for all proposed projects determined to be eligible and recommended for funding. The staff report will be presented to HCD’s Local Assistance Loan and Grant Committee for review and funding recommendation. The applicant is invited to be present at the Committee meeting with program staff to discuss the proposed project. The Committee’s funding recommendations will be forwarded to the Director, Department of Housing and Community Development, for the final funding decision. If insufficient funding is available to meet the needs of all the applications deemed eligible for funding, funds will be awarded on the basis of the rating and ranking described above. All applicants will be informed of their ranking, and the ranking of the localities recommended for funding, prior to the date of the Loan and Grant Committee meeting.

LEGAL INFORMATION

The Department of Housing and Community Development (HCD) reserves the right, at its sole discretion, to suspend or amend the provisions of the NOFA. If such an action occurs, HCD will notify all interested parties. Applicants are urged to carefully review the NOFA, the application documents and Chapter 8, commencing with section 17998 to Part 1.5 of Division

13 of the Health and Safety Code before submitting applications.

INFORMATION AND ASSISTANCE

It is strongly recommended that care and prudence be exercised in the planning of proposed projects, selection of development team members and in the preparation of this application and the attachments. An application that is deemed incomplete based on the above stated eligibility criteria shall be rejected. Staff is available to answer questions regarding the program or the completion of the application and attachments. Please call for assistance or additional information at (916) 445-9471.

CEIP Staff:

Jo Maynard: (916) 445-9471 or jmaynard@hcd.ca.gov
Brad Harward: (916) 445-9471 or bharward@hcd.ca.gov

Thank you for your interest in the Code Enforcement Incentive Program.